

INFORMATION REPORT

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SUPPLEMENT TO REPORT NO. 25X1X

25X1A

The Government Administrative Council (GAC) Committee of Finance and Economics drafted a "Three Year Plan of National Defense, Industrial, and Economic Reconstruction for Sinkiang Province" immediately following the decision made by Chinese Communist central authorities in July 1950 to build up Sinkiang as a base for national defense and industrialization.¹ This plan was approved by the Chinese Communist Party Political Bureau and was initiated in January 1951. This plan is partially summarized as follows:

1. The implementation period for the Sinkiang Province Three Year Plan of National Defense, Industrial and Economic Reconstruction is from January 1951 to December 1953.

2. The following reconstruction projects are to be completed during these three years:

a. Construction of factories

- (1) One iron and steel plant
- (2) Two cement plants
- (3) Three textile mills, including both cotton and wool
- (4) One motor vehicle manufacturing plant
- (5) Two tanning plants
- (6) Two paper mills
- (7) Seven food processing plants
- (8) Four pharmaceutical and clinical instrument manufacturing plants
- (9) Two arsenals

b. Mining exploitation

- (1) Churuchak (32-37, 46-45) Coal Mine
- (2) Urunchi (37-35, 43-46) Coal Mine
- (3) Hani (23-27, 42-48) Coal Mine
- (4) Aksu (30-14, 41-15) Cypsum Mine

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- 2 -

3. Responsibilities for Implementation

25X1A

- a. The GAC Committee of Finance and Economics, the Ministry of Heavy Industries, the Ministry of Finance, PLA Supreme Headquarters, the Northwest Military and Administrative Committee, the Industrial Department of Northwest China, the Sinkiang Provincial Government, and the Northwest Military Region Headquarters shall appoint representatives to the "Sinkiang National Defense, Industrial and Economic Reconstruction Committee" which will be held responsible for implementing this plan.
- b. This Committee must be established by September 1950 and must formulate concrete steps for implementing this plan before October 1950.
- c. The GAC Committee of Finance and Economics should allocate 1,500,000,000 catties of millet before November 1950 as the first installment of the Reconstruction Fund. Subsequent allocations will be made each three months afterwards, in accordance with progress made on the reconstruction projects. After work on the reconstruction project has begun, the progress report shall be submitted to the central government every three months. The GAC Committee of Finance and Economics must send technical personnel to Sinkiang at the end of each year to inspect progress made toward fulfilling this Plan.

4. Supply of machinery

- a. The GAC Committee of Finance and Economics is responsible for allocation and supply of all machinery for textile mills and tanning plants; machinery required for reconstruction plants shall all be imported from abroad directly by Sinkiang Province.²
- b. Equipment required for reconstruction of mine pits all shall be imported from abroad directly by Sinkiang Province.

5. Recruitment and training of technical personnel

- a. The GAC Committee of Finance and Economics shall employ Soviet experts who will be responsible for technical supervision of the plant.
- b. The GAC Committee of Finance and Economics shall transfer 500 technical engineering personnel from East China to North China. These persons will proceed in groups to Sinkiang Province.
- c. The Industrial Department of Northwest China should immediately establish a training organization which will enroll 1,000 students having middle school education in training courses for a period of 1¹/₂ to 2 years. Upon graduation from these courses the trainees will be sent to various plants.

25X1X 1. Comment. The informant states that the Chinese Communists have divided Sinkiang industrial reconstruction into two parts: one part, which is outlined in this report, concerns projects undertaken by the Chinese Communists; the other part concerns projects constructed jointly by the Chinese Communists and the USSR in accordance with their agreements of 27 March 1950. This agreement included: (a) agreement for the establishment of the Sino-Soviet Petroleum Joint Stock Corporation in Sinkiang, and (b) agreement for establishing the Sino-Soviet Colored and Rare Metals Joint Stock Corporation in Sinkiang. In accordance with these agreements various colored metal mines and the Petroleum Development and Refining Company have been established. These joint Sino-Soviet projects are coordinated with the projects outlined in the Three Year Plan.

25X1X

2. For supplying and delivering this equipment directly to Sinkiang.

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REPORT SUSPECT BUT NOT SPURIOUS

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23 June 1954